



Department of State
Consumer Protection

Navigating Housing Scams

A FIVE PART SERIES

Part 4: Homeowner Scams

Kathy Hochul
Governor

Robert J. Rodriguez
Secretary of State

Navigating Housing Scams: **Homeowner Scams**

Homeownership evokes a feeling of pride and the start of long-term financial stability. Owning a property is the biggest financial decision many people make. Learn how you can protect your investment.

In part four of a five-part money-saving series, the **Division of Consumer Protection** provides homeowners with practical tips to prevent scams that target them.

For more tips on how to navigate housing scams, check out our [comprehensive guides](#).



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams

Deed Theft and Fraud

What is Deed Theft?

The deed is the legal document that proves who owns the home. Deed fraud happens when scammers either forge signatures or convince the homeowner to unknowingly sign paperwork that transfers the deed.

Some red flags to look for include when a person:

-  Asks you to transfer your property rights to them.
-  Provides a guarantee or promised result. Legitimate organizations and individuals can only promise to work hard for you. They cannot guarantee results.
-  Requests an upfront fee to modify, refinance or reinstate your mortgage.
-  Pressures you to sign over the deed to your home or sign any paperwork that you haven't had a chance to read, and you don't fully understand.



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams

Deed Theft and Fraud (continued)

Tips To Protect Your Property:

Check out the [NYS Homeowner Protection Program](#)

The program offers free housing counseling and legal assistance to homeowners.

Monitor your deed.

Ask your county clerks' office or the New York City Register's Office to see your property records if you suspect deed theft or fraud. Some cities and towns have systems to notify property owners when new documents are recorded on their property.



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams



Fraudulent Refinancing Offers



Remember to shop around for the best loan option and pay attention to potentially deceptive offers.

- Be wary of reduced rates that are significantly lower than market interest rates. This may be a sign of various hidden fees or even a bait-and-switch tactic.
- Confirm the identity of the refiner. The [Nationwide Mortgage Licensing System & Registry \(NMLS\)](#) maintains a database of licensed mortgage brokers and loan originators.



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams

Fraudulent Refinancing Offers (continued)

- Ask to see everything in writing before you agree to the refinancing terms. According to the Federal Trade Commission, lenders must disclose the following key information to you:
 - Clearly outline the changes to your loan
 - Clearly tell you the total fee the company will charge you for its services
 - Warn you that you could lose your home — and damage your credit — if you stop paying your mortgage



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams

Falling Behind on Your Mortgage?

Stay ahead of foreclosure with these tips:

- **Contact your lender**, a certified housing counselor or the [NYS Homeowner Protection Program](#) for advice and available options if facing financial problems or foreclosure.
- The [Home Equity Theft Prevention Act](#) governs certain sales of homes that are in foreclosure or default. If you plan to sell a home in foreclosure or default, you should know your rights under the Act and know what to expect from a legitimate buyer.
- **Know your rights!** Review the [Residential Foreclosure Actions Consumer Bill of Rights](#) if you are facing foreclosure.



Department of State
Consumer Protection

Navigating Housing Scams: Homeowner Scams

Falling Behind on Your Mortgage? (Continued)

- **Beware of anyone who contacts you with a solution to your financial problems.**
 - Never do business with anyone who calls you, mails you, or knocks on your door with offers to help fix your foreclosure or default.
 - Do not respond to advertisements and flyers making similar offers.
- **Never pay up front for mortgage relief services.** Be cautious of anyone that requests an upfront fee to help prevent a foreclosure. Mortgage relief scams often target homeowners facing foreclosure with promises to modify the loan in exchange for an upfront payment.



Department of State
Consumer Protection

Stay Connected, **Stay Protected**

Scan the QR code to Visit
the Division of Consumer Protection



Department of State

Consumer Protection



dos.ny.gov/consumer-protection



Kathy Hochul
Governor

Robert J. Rodriguez
Secretary of State



Department of State
Consumer Protection